

**Abstract**

A method for conducting an auction in which bidders are encouraged to make more aggressive bids than they might otherwise make because they know that such bids will result in an ancillary advantage to themselves. The *auction variables* are those aspects of the auction that become the contract terms of the contract. In accordance with the illustrative embodiment, a relationship between a first auction variable and a second auction variable is defined and published, and the relationship is such that changes in the first auction variable in a direction favorable to the auction solicitor result in changes in the second auction variable in a direction favorable to bidders. This positive feedback mechanism encourages bidders to make more aggressive bids than they might otherwise make.